



City of Minneapolis Solid Waste Organized Collection Planning Process Participation Summary January 29, 2013

A. Introduction

The following summarizes the solid waste organized collection planning process conducted by the City of Minneapolis through January 25, 2013.

1. Previous Intent to Organize Solid Waste Collection

Since 1971, when the City of Minneapolis amended its Charter to establish a new approach to collection of residential mixed municipal solid waste, the City has divided collection into geographic halves: one half is collected by City employees, the other half is collected by Minneapolis Refuse Inc. (MRI), a consortium of solid waste haulers. The contracts with MRI have been for terms of five years each and have been continually renewed since the original contract in 1971.

On February 10, 2006, the Minneapolis City Council voted to conduct a Request for Proposals (RFP) process under which the City would seek competitive proposals for the solid waste collection contract held by MRI. MRI then filed suit in Hennepin County District Court seeking a Temporary Restraining Order (TRO) to prevent the City from moving forward with the RFP process. MRI argued that the City Council's vote violated Minnesota Statutes § 115A.94, which is entitled "Organized Collection"

At the initial hearing on the TRO, the City stated that it would extend MRI's contract to June 30, 2007, which was otherwise due to expire on December 31, 2006. The contract extension was entered into on March 20, 2006. On March 23, 2006, the District Court denied the TRO because of the City's extension of the contract.

On September 15, 2006, the Court issued an Order granting a temporary injunction requested by MRI that enjoined the City from proceeding with the RFP process and determined that the Organized Collection statute applies to the City and its actions regarding the RFP for solid waste collection. The City is followed the organized collection process outlined in Minn. Stat. § 115A.94.

On October 24, 2008, the City authorized negotiation and execution of contracts with Aspen Waste Services and MRI on the condition that written waivers are executed by each party regarding Minn. Stat. 115A.94 and the City's Labor Peace requirement by November 5, 2008. If written waivers are not submitted, award contract for entire half of city to contractor who does not submit waiver and

draft alternative findings for adoption by City Council.

On December 1, 2008, the City entered into a 5 year collection contract with Minneapolis Refuse Inc. (MRI) for the period of February 1, 2009 through January 31, 2014.

2. Current Intent to Organize Solid Waste Collection

On September 21, 2012, the City set a public hearing to be held on October 9, 2012 to begin the 180-day process to discuss with the current contractor and other interested parties options for the future collection of garbage, recycling, problem materials (metals and mattresses), and yard wastes for one-half of the City's dwelling units (MRI-side of the City) pursuant to Minnesota Statutes, Section 115A.94, Subd. 4.

On October 9, 2012, a Public Hearing for Intent to Organize Collection was held at the Transportation and Public Works Committee.

On October 25, 2012 – the City adopted a Resolution of Intent to begin the 180-day process to organize the collection of solid waste in the City and inviting the participation of interested parties in planning and establishing the organized collection system pursuant to the procedures set forth in Minnesota Statutes, Section 115A.94, Subd. 4.

3. Organized Collection Statute

Minn. Stat. § 115A.94, subd. 1 defines "organized collection" as a system for collecting solid waste in which a specified collector, or a member of an organization of collectors, is authorized to collect from a defined geographic service area or areas, some or all of the solid waste that is released by generators for collection. Under Minn. Stat. § 115A.94, subd. 3(a), a local government unit may organize collection as a municipal service or by ordinance, franchise, license, negotiated or bidded contract, or other means, using one or more collectors or an organization of collectors.

Pursuant to Subd. 4(a) of the statute, at least 180 days before implementing a new ordinance, franchise, license, contract or other means of organizing collection, the city, by resolution of the governing body, shall announce its intent to organize collection and invite the participation of interested persons - including persons licensed to operate solid waste collection services - in planning and establishing the organized collection system. Pursuant to the statute, the City of Minneapolis held a public hearing on a Resolution of Intent to organize collection on October 9, 2012. The Resolution of Intent to Organize Collection was approved by the full City Council on October 19, 2012. The 180 days planning process began after the adoption of the resolution of Intent.

4. Planning Process

The statute, under Subd. 4(c), provides that the City shall develop or supervise the development of plans or proposals for organized collection during a 90-day period following the Resolution of Intent. During this planning period, the City shall invite and employ the assistance of persons licensed as of the date of the Resolution of Intent to operate solid waste collection services in the City. Failure of a licensed collector to participate in the planning period, when the City has made

a bona fide effort to provide the person the opportunity to participate, does not invalidate the planning process.

In November of 2012, the City sent hard copy notices to all licensed haulers within the City stating that the planning process was beginning and outlining methods of participation for licensed haulers. The City indicated that it was planning a series of public meetings for haulers to attend, and also that the City would be accepting written comments on the planning process as well.

The City also notified 139 hauler contacts, 127 neighborhood association contacts, and 69 labor contacts via email. A GovDelivery email list was established specifically for the 115A process to inform interested parties about the planning process for organized collection. Each time a meeting was held, an electronic notice went out via the GovDelivery lists and physical copies of the meeting notice were sent to the licensed haulers.

The City established a public web site where all documents for the 2012/2013 planning process can be found and included the 2008 RFP and Map of Service Area. All meeting notes, and requested information by the attendees were also posted on line. Web Address:
<http://www.ci.minneapolis.mn.us/solid-waste/WCMS1P-100890>

B. Methods of Participation

1. Three Hauler Meetings

The City conducted three meetings for licensed haulers and other interested parties. The meetings occurred on:

- a. November 13, 2012 at North Commons Park in North Minneapolis. (27 persons attending);
- b. December 11, 2012 at North Commons Park in North Minneapolis. (19 persons attending); At the December meeting it was discovered that many of the interested parties did not go to the web site to look at or download the 2008 RFP and Map of Service Area. Therefore it was decided that the City would mail hard copies of all documents on the public web site to all interested parties.

Copies of all documents on the public web site were mailed to all the interested parties on December 18, 2012.

- c. January 8, 2013 at North Commons Park in North Minneapolis. (19 persons attending). Interested parties that were new to the meeting were given hard copies of all materials and added to the interested party mailing list.

2. Neighborhood Comments

The City received one letter from the Single Creek Neighborhood Association.

3. Written Comments

The City received written comments regarding the planning process from labor, haulers and

one neighborhood group. All comments are summarized below and attached as Exhibits A, B and C.

C. Summary of All Comments

1. MRI Views

Many members and several representatives of MRI participated in each of the three meetings. MRI members and representatives remained largely silent at the three meetings. They submitted one letter to the City via Winthrop and Weinstine. The full content of the letter is part of Exhibit B. Here are the key points:

a. The City Council adopted the Labor Peace Policy in 2007 pursuant to a City Council resolution. The rationale of the action was to promote the rights of working men and women and to protect the City's financial, economic and proprietary interests so as to ensure that City contracts are performed without interruption from strikes or other disputes.

b. MRI and its members respectfully submit that nothing has changed over the past six years which would in any way, undercut or take away from the passing of the Labor Peace Policy in 2007.

c. MRI requests that Labor Peace continue to be part of, and a condition precedent to, any future contract between the City and any hauler of residential waste and recycling. MRI encourages action by the PRC and the City Council to ensure that this important issue is addressed in the near term.

d. MRI believes that the City and residents receive significant benefits from the efficiencies achieved by a single vendor serving the contracted portion of the City. A single vendor ensures accountability for all uncollected items and damage claims, makes program changes easier to implement, and one call reaches all of the collection crews on the non-city collected side.

e. MRI and its members reserve the right to provide additional comments leading up to the end of the ninety day period of the Organized Collection process. They look forward to working with the City during the ninety day discussion period and would like to be allowed to continue to serve the residents of the City with the high-level of service to which they have become accustomed.

2. Other Hauler Views

The City received one letter from Aspen Waste Systems who believes that they can serve the City well. A full copy of the letter is attached in Exhibit B. Aspen listed several reasons they feel qualified to serve Minneapolis:

- a) Aspen previously completed the RFP and won (subsequent labor peace issues prevented them from moving ahead with contract phase).
- b) Customer satisfaction meets or exceeds comparative standards
- c) Customer service is locally based

- d) Aspen is based in the City of Minneapolis and provides more jobs in the City than any other licensed waste hauler.
- e) Aspen has consistently proven its commitment to Minnesota's waste to energy hierarchy (before landfills). They are the largest direct hauler to HERC by choice.
- f) Aspen's founder, owner and president is a lifelong resident of Minneapolis.

3. Labor Union Views

The City received one letter from the Teamsters Local 120 and several of their representatives attended the planning meetings. The full letter is included as Exhibit A. In summary here is what was contained in the letter.

- a) An August 2012 article from the Seattle times entitled "Strike over, rush on to haul off lots of stinky trash."
- b) A Power Point presentation entitled "Trash and the Public Interest" prepared by Teamsters Local 120. The Power Point contains photos of uncollected garbage from a Toronto strike in 2002, Athens work stoppage in 2001, and a Chicago strike in 2003.

The Power Point includes slides on: driver fatigue, poorly maintained trucks, occupational safety, revenue and public-private partnerships. The final slides point out San Francisco as a model partnership between the City, unions and the private hauler. San Francisco's mandatory diversion rate is fifty percent and they have achieved sixty seven percent.

- c) The PRC's 2008 findings that haulers should be required to enter into Labor Peace Agreements as a condition for contracting to provide solid waste and recycling services to the City of Minneapolis.

4. Neighborhood Group Views – The City received one letter from Shingle Creek Neighborhood Association (Exhibit C). In it they summarized their strong support for MRI who has their main office in the neighborhood as well as 13 member businesses. They believe these five factors are the most important for the City to consider.

- a) Having a coalition of 13 strong small businesses provides a level of services and a competitive opportunity that a city this size requires to maintain the city without massive and multiple interruptions which increase costs.
- b) There are tremendous costs involved with creating new systems. The city is trying to save costs at every turn. Thirteen small businesses in the City is more important than being beholden to one single large provider.
- c) Providing living wage jobs in the city is more important than feeding into a huge single company. Local companies tend to employ locally and one very large company likely employs people from outside the community.
- d) Having strong small businesses provides more local benefits for schools, youth,

nonprofits and programs than one single company would. They believe that this aligns with the Minneapolis Plan for sustainable growth 2011.

4.1 Support private sector growth to maintain a healthy, diverse economy.

4.2 Promote business start-ups, retention and expansion to bolster the existing economic base.

4.7 Focus resources and efforts on connecting residents to good jobs.

4.8 Continue to pursue the removal of barriers that prevent residents from holding living wage jobs and achieving economic self-sufficiency.

D. Interested Parties for Organized Collection

Exhibit D provides a list of all parties who have attending the planning meetings and who will be included in the discussion phase for participation in the organized collection process.

CC. Steve Kotke, Peter Ginder, Heidi Hamilton

Attachments: Exhibit A (Hauler Letters), Exhibit B (Labor Letter), Exhibit C (Neighborhood Letter), Exhibit D (List of Interested Parties)